

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
) Case No. 01-01139 (JKF)
W.R. GRACE & CO., <u>et al.</u> ,) (Jointly Administered)
) Objection Deadline: February 20, 2009
Debtors.) Hearing Date: March 9 and 10, 2008 @ 9:00 a.m. (Pittsburgh, PA)
) RE: D. I. No. 20669

**PROTECTIVE OBJECTION OF MARYLAND CASUALTY COMPANY
TO THE DEBTORS' DISCLOSURE STATEMENT FOR THE FIRST AMENDED
JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE OF W.R. GRACE & CO., ET AL., THE OFFICIAL
COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS, THE ASBESTOS
FUTURE CLAIMANTS' REPRESENTATIVE, AND THE OFFICIAL COMMITTEE OF
EQUITY SECURITY HOLDERS DATED AS OF FEBRUARY 3, 2009**

Maryland Casualty Company ("MCC"), by and through its undersigned counsel, hereby submits this Protective Objection to the *Debtors' Disclosure Statement for the First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos Future Claimants' Representative, and the Official Committee of Equity Security Holders Dated as of February 3, 2009* ("Amended Disclosure Statement") as follows:

1. On September 19, 2008, the above-captioned debtors ("Debtors") filed and served the *Debtors' Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos Future Claimants' Representative, and the Official Committee of Equity Security Holders dated as of September 19, 2008* [D.I. 19581] ("First Disclosure Statement").

2. On October 17, 2008, MCC filed its *Objection of Maryland Casualty Company to the Debtors' Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the*

Injury Claimants, the Asbestos Future Claimants' Representative, and the Official Committee of Equity Security Holders dated as of September 19, 2008 [D.I. 19777] ("MCC First Objection").

3. In response to subsequent filings by the Debtors and other parties-in-interest, on October 23, 2008, MCC filed its *Reply of Maryland Casualty Company to Debtors' Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos Future Claimants' Representative, and the Official Committee of Equity Security Holders dated as of September 19, 2008 [D.I. 19846] ("MCC Reply").*

4. On February 3, 2009, the Debtors filed the Amended Disclosure Statement and related documents (collectively, "Amended Plan Documents"), including the proposed WRG Asbestos PI Trust Distribution Procedures ("PI TDP's).

5. As drafted, the PI TDP's either fail to provide treatment for all of MCC's claims, or provide ambiguous treatment thereof. MCC has submitted proposed revisions to the PI TDP's to Debtors' counsel, and counsel have exchanged dialogue relating thereto. As of the filing of this Protective Objection, the Plan Proponents and MCC have not reached a resolution relating to the MCC comments.

6. If MCC's proposed revisions are not accepted by the Plan Proponents and incorporated into the PI TDP's, and/or if new changes are made to the Amended Plan Documents, then the Amended Disclosure Statement may fail to satisfy the requirements of Section 1125 of the Bankruptcy Code. Accordingly, this Protective Objection preserves MCC's right to object to the Amended Plan Documents, or any revised versions thereof. Further, MCC expressly reserves all of its rights, including those set forth in the MCC First Objection and the

MCC Reply, all of its rights and claims under the Contracts and the Agreements¹, and its right to join any specific objection(s) to the Amended Disclosure Statement filed by others, or any portion thereof, as appropriate.

Dated: February 20, 2009

OF COUNSEL:

Edward J. Longosz, II
Laura G. Stover
Eckert Seamans Cherin & Mellott, LLC
1747 Pennsylvania Avenue, N.W.
Suite 1200
Washington, DC 20006
(202) 659-6600 Telephone
(202) 659-6699 Facsimile

CONNOLLY BOVE LODGE & HUTZ LLP



Jeffrey M. Wisler, Esquire (#2795)

Marc J. Phillips (#4445)
The Nemours Building
1007 N. Orange Street
P.O. Box 2207
Wilmington, DE 19899
(302) 658-9141 Telephone
(302) 658-0380 Facsimile
Counsel for Maryland Casualty Company

#664909

¹ As defined in the MCC First Objection.